VZCZCXRO1909 RR RUEHAG DE RUEHCV #1276/01 1311924 ZNY CCCCC ZZH R 111924Z MAY 06 FM AMEMBASSY CARACAS TO RUEHC/SECSTATE WASHDC 4443 INFO RUCNMEM/EU MEM COLLECTIVE RUEHAC/AMEMBASSY ASUNCION 0650 RUEHBO/AMEMBASSY BOGOTA 6439 RUEHBR/AMEMBASSY BRASILIA 5455 RUEHBU/AMEMBASSY BUENOS AIRES 1203 RUEHLP/AMEMBASSY LA PAZ 1984 RUEHPE/AMEMBASSY LIMA 0216 RUEHMU/AMEMBASSY MANAGUA 1200 RUEHME/AMEMBASSY MEXICO 3751 RUEHOT/AMEMBASSY OTTAWA 0706 RUEHZP/AMEMBASSY PANAMA 1076 RUEHQT/AMEMBASSY QUITO 2064 RUEHSJ/AMEMBASSY SAN JOSE 1197 RUEHSG/AMEMBASSY SANTIAGO 3503 RUEHDG/AMEMBASSY SANTO DOMINGO 0169 RUEHAO/AMCONSUL CURACAO 0798 RUCNDT/USMISSION USUN NEW YORK 0184 RUEHMI/USOFFICE FRC FT LAUDERDALE 3072 RHEHNSC/NSC WASHDC RUMIAAA/HQ USSOUTHCOM MIAMI FL RUEHUB/USINT HAVANA 0701 C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 001276 SIPDIS SIPDIS HOOUTHCOM ALSO FOR POLAD FOR FRC LAMBERT

E.O. 12958: DECL: 05/12/2016

TAGS: ECON EPET PREL PTER BL BR IR VE UN CU

SUBJECT: BRAZIL STILL INTERESTED IN TUCANO SALES, PROPOSES

TRADE

REF: BRASILIA 882 AND PREVIOUS

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Classified By: AMBASSADOR WILLIAM R. BROWNFIELD FOR REASON 1.4 (b and d)

11. Actions requested - see para 12.

Summary

(C) Brazilian Ambassador Joao Carlos da Sousa Gomes, acting on instructions, proposed that we trade licensing for $U.S.\ components$ in the Tucano aircraft for Brazilian support for Sumate with the BRV. That sounds like a bad trade to us, but we asked whether GOB would be willing to discuss help regarding the BRV's push for a non-permanent UNSC seat. Sousa Gomes said the Bolivarians were unhappy with Brazilian FM Amorim's criticism of the BRV role in the nationalization of the Bolivian hydrocarbon industry, resulting in a call from a nervous FM Rodriguez demanding a "retraction." Brazilian made clear that despite this rough patch, Brasilia had a lasting interest in maintaining good relations with Caracas. Da Sousa Gomes, in the mood to chat, also shared the details of a "chilling" conversation he had had with Iranian Ambassador Sobhani, who was apparently unconcerned about the prospects of a broader conflict over the nuclear impasse. Finally, da Sousa Gomes told us of a recent talk with Cuban Ambassador Sanchez, who attacked Sumate and related details of the carnal activities of fellow ambassadors. We leave to the Department whether to consider an approach on the UNSC, as well as whether to offer the GOB a briefing on Iranian support for terrorism in the

Tucanos for Sumate

- ¶3. (C) Ambassador and DCM met with Brazilian Ambassador Joao Carlos da Sousa Gomes on May 10 at his request to discuss a number of issues. Da Sousa Gomes was principally interested in proposing a "deal" to permit licensing of U.S. components of Tucano aircraft to Venezuela. Stating that his message came direct from Brazilian FM Amorim, he said that Brazil was still deeply interested in selling the Tucanos to the BRV. He argued that permitting the sale would give the GOB the ability to influence the BRV; taken the other way, the inability to complete the sale undercut Brazil's moderating influence in Caracas. Admitting that this was a "difficult issue for USG," da Sousa Gomes said he was authorized to propose a trade: the United States gives on the Tucanos, and GOB takes a more proactive stance with the BRV on Sumate. Da Sousa Gomes said this help would be particularly useful now, because he believed another BRV assault on Sumate was likely in the near future.
- 14. (C) The Ambassador replied that he could not speak to the Tucanos; that was a decision made in Washington. Having said that, he noted the proposed Brazilian action on Sumate was symbolic, whereas the Tucanos were real. It would be difficult to sell such a linkage to Washington. On the other hand, there was one very concrete issue that Brazil could be helpful on: Venezuela's bid for a non-permanent seat on the UNSC. While he emphasized he was not speaking on instructions, the Ambassador said that such a linkage would be more concrete and, therefore, perhaps compelling to the USG. Da Sousa Gomes was skeptical, noting that the BRV's early commitment to permanent seat for Brazil on UNSC made it

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difficult for the GOB to fail to back the BRV for a temporary seat.

¶5. (C) The Ambassador delved further. GRULAC is obviously split over the issue of its candidate for the nonpermanent seat. If pushed by a large, influential nation interested in ensuring consensus, the GRULAC might find a candidate other than Venezuela who might receive consensus support. He concluded this part of the discussion by indicating that he doubted that Washington would reopen Tucano decision, but might be more inclined to do so if it were part of a package to solve our mutual problem of the BRV's candidacy for a non-permanent UNSC seat.

Brazilian Push-back Touches Bolivarian Nerve

- 16. (C) We began the conversation discussing the news of the day, FM Amorim's strong push-back against the BRV for its role in the nationalization of the Bolivian gas industry. Da Sousa Gomes made a number of observations about the GOB's views that were identical to those already reported by Embassy Brasilia (refs). He took credit for the idea of Amorim's strong words, saying he'd argued that the BRV respected a government that stood up for itself. That said, da Sousa Gomes said that Brasilia had no interest in provoking a further crisis over this matter. Venezuela was a neighbor, and they needed to find ways to get along.
- 17. (C) The Brazilian ambassador said that the BRV was stirred up by Amorim's words. BRV FM Ali Rodriguez called him even before Amorim had finished speaking to demand a "retraction." da Sousa Gomes told him that was impossible, so a flustered Rodriguez insisted on speaking with Amorim directly, to make the same points. He got no satisfaction in that call. According to da Sousa Gomes, President Chavez himself called Brasilia, seeking to speak with President Lula, but Lula did not take the call. (Note: Both presidents will be at the EU-Latin America summit, so Chavez

Iran

- 18. (C) da Sousa Gomes then turned to a recent conversation he had with Iranian Ambassador Ahmad Sobhani. According to da Sousa Gomes, Sobhani told him that there was a great deal of misinformation about Iran's activities in Venezuela. There was no collaboration on nuclear matters, and Sobhani derided Venezuela's tiny nuclear research program as unserious. Sobhani said that the stories about a uranium mining operation were also untrue. When the Brazilian queried about the impasse in the IAEA and now the UN on the Iranian nuclear program, Sobhani said that Iran had a problem with the United States and "all of Europe" on this issue, and would not back down. The ability to run its own peaceful nuclear program was a point of principle for Iran. Da Sousa Gomes said that he came away from the conversation chilled by the Iranian's unconcern over the prospect that his government's actions might provoke a broader conflict. Brazilian offered to give us a written summary of his report to Brasilia for our information.
- 19. (C) The Ambassador was grateful for the information, and underlined our strong concerns about Iran-Venezuela links. Our concerns focused in three separate areas. First, on the nuclear front, for reasons well known to all. Second, the

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United States is increasingly concerned that Iranian know-how, both technical and in terms of avoiding U.S. prohibitions on the sale of military parts to Iran, would help the BRV evade any limitations on the sale of military parts to the BRV. Finally, and most importantly, we are concerned about terrorism. Iran has a well-known link with Hezbollah, a deadly terrorist organization. The Iranian government has pledged to attack the U.S. homeland if attacked. We are worried that an Iranian-supported Hezbollah or other terrorist presence in Venezuela could represent a threat to the United States. Da Sousa Gomes clearly had not thought this last issue through, and asked if we could provide additional information. The Ambassador agreed to look into the matter, noting that obviously any such discussions would occur in Brasilia or Washington.

Cuba

- 110. (C) Finally, the chatty da Sousa Gomes gave us his readout on a recent lunch with Cuban Ambassador German Sanchez Otero. (Note: Da Sousa Gomes said that he could attest to the long-serving (over 11 years in Caracas) Sanchez' close ties to Cuban dictator Fidel Castro; the old rascal called Sanchez three times during the course of the lunch!) According to da Sousa Gomes, Sanchez is totally plugged in to the Bolivarian government, relating in a detailed fashion the inner workings of various ministries. Sanchez also eagerly discussed Venezuelan internal political developments, focusing of course on the upcoming presidential elections. Sanchez had nice things to say about left-wing candidate Teodoro Petkoff, at least at a personal level; da Sousa Gomes noted that he's heard similar expressions of personal affection for Petkoff from Bolivarian officials.
- 111. (C) da Sousa Gomes was particularly struck by two elements of his conversation with Sanchez: first, a deep hatred for Sumate, which Sanchez claimed was a subversive organization funded by the CIA which had to be stopped. (da Sousa Gomes' earlier warning that the BRV might have planned a fresh assault on Sumate (para 3) may have in part been informed by Sanchez harsh words for the NGO). Second, Sanchez delighted in relating the prurient details of the personal lives of other ambassadors accredited here. Da Sousa Gomes added that he believed that some ambassadors actually submitted written reports to the BRV on the

peccadilloes of their fellow ambassadors.

112. (C) Actions requested:

- -- Tucano trade: We oppose reconsidering the Tucano decision for a promise to be proactive on Sumate. It is the Department's call whether to pursue a possible Tucano-UNSC connection.
- -- Briefing to the GOB on Iran: da Sousa Gomes seemed genuinely taken aback by the notion that an Iranian diplomatic presence might support Hezbollah or another FTO in the Western Hemisphere. Washington and Embassy Brasilia may want to consider a detailed briefing on this matter to relevant GOB officials.

BROWNFIELD